



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 29, 2006

Dave Lewis
American Gilsonite Company
29950 South Bonanza Highway
Bonanza, Utah 84008

Subject: Conditional Approval of I-30 Amendment, American Gilsonite, Bonanza Mine, M/047/010, Uintah County, Utah

Dear Mr. Lewis:

The Division of Oil, Gas and Mining has reviewed changes to the mine plan American Gilsonite submitted to the Bureau of Land Management on February 24, 2006. These were in response to a letter from the BLM dated February 17, 2006, and the BLM approved the changes on March 1, 2006.

The Division approves these changes to the mine plan, including the facilities shown on the map titled "Independent 30" updated February 23, 2006. To effect this change, please have the enclosed "Addendum #1 to Reclamation Contract" signed, make a copy for your records, and return the original to the Division.

This approval is issued with the following condition:

By June 1, 2006, American Gilsonite must modify its mine plan to incorporate the modifications submitted February 24, 2006, to the Bureau of Land Management into a single, consolidated mine plan.

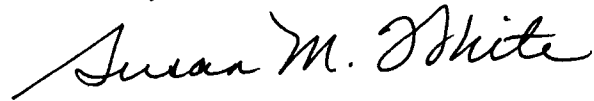
The Division is beginning the bond adjustment review for the Bonanza Mine which will include review of maps and other information in your mining and reclamation plan. As part of this review, the Division anticipates conducting an inspection in April 2006 to verify this information and to see what other adjustments need to be made.

AGC is only permitted to mine according to your current mining and reclamation plan. If there were new facilities that have not been included in the mining and reclamation plan, then you would be considered to be mining without a valid permit in those areas. By rule (R647-6-102.1.12), this requires the Division to issue a cessation order that would require cessation of mining at these sites. If there are new, unpermitted facilities, the Division urges you to amend your mine plan as quickly as possible.

Dave Lewis
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If you have questions or concerns about this conditional approval, please contact me at 801-538-5258 or Paul Baker at 801-538-5261. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Susan M. White". The signature is fluid and cursive, with a long horizontal line extending from the start of the name.

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:PBB:pb

Enclosure: Addendum #1 to Reclamation Contract

cc: Stan Perkes, State BLM Office
Will Stokes, SITLA

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